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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission in the Central African Republic and Chad

Financial performance report for the period from 1 July 2008 to 30 June 2009 and financial arrangements for the period from 1 July to 31 December 2010 for the United Nations Mission in the Central African Republic and Chad

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2008/09	$440,795,500
Expenditure for 2008/09	$424,073,000
Unencumbered balance for 2008/09	$16,722,500
Appropriation for 2009/10	$690,653,100
Projected expenditure for 2009/10	$528,179,600[a]
Estimated unencumbered balance for 2009/10	$162,473,500[a]
Commitment authority requested by the Secretary-General for the period from 1 July to 31 December 2010	$246,598,800
Recommendation of the Advisory Committee for the period from 1 July to 15 November 2010	$184,949,000

[a] Estimate as at 30 April 2010 (see annex).

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I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the performance report of the Secretary-General on the budget of the United Nations Mission in the Central African Republic and Chad (MINURCAT) for the period from 1 July 2008 to 30 June 2009 (A/64/556), as well as his note on financing arrangements for the Mission for the period from 1 July to 31 December 2010 (A/64/783). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. The documents reviewed and those used for background by the Advisory Committee in its consideration of the financing of MINURCAT are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2008 to 30 June 2009

3. In paragraphs 11 to 22 of his report (A/64/556), the Secretary-General highlights the key developments which affected mandate implementation and had a significant impact on the Mission's ability to carry out its operations during the 2008/09 financial period. The Advisory Committee recalls that, during the reporting period, the Security Council, in its resolution 1861 (2009), extended the mandate of the Mission until 15 March 2010, authorized the deployment of a military component of the Mission to follow up the European Union Force (EUFOR) in both Chad and the Central African Republic, decided that the transfer of authority between EUFOR and the military component of MINURCAT would take place on 15 March 2009 and decided that the Mission would include a maximum of 300 police officers, 25 military liaison officers, 5,200 military personnel and an appropriate number of civilian personnel.

4. Total resources approved by the General Assembly in its resolutions 62/233 B and 63/274 A for the maintenance of the Mission amounted to $440,795,500 gross ($434,639,700 net) for the period from 1 July 2008 to 30 June 2009. The Advisory Committee notes that the overall amount approved was assessed on Member States. However, the amount of $139,671,300 granted as commitment authority by the Assembly in its resolution 63/274 A and already assessed remains to be appropriated (see para. 23 below). As shown in section III.A of the report, expenditure for the period totalled $424,073,000 gross ($417,948,200 net). The resulting unencumbered balance of $16,722,500, or 3.8 per cent in gross terms, reflects overexpenditure under military and police personnel ($5,010,800) and civilian personnel ($7,926,400), offset by underexpenditure under operational costs ($29,659,700) as compared with the appropriated amount of $440,795,500.

5. The overexpenditure for military and police personnel costs of $5,010,800, or 6.6 per cent, are due mainly to the increase in the mission subsistence allowance rate ($191 per person per day for the entire Mission area effective 1 June 2008, compared to the budgeted rates of $109, $112 and $154 per person per day for eastern Chad, the Central African Republic and N'Djamena, respectively); additional requirements with respect to rations owing to the higher actual prices of the EUFOR contractor the Mission had to rely upon initially during the transitional

period (an actual cost of $85.05 per person per day compared to the assumption of $30 per person per day); and additional requirements for contingent-owned equipment attributable to the higher-than-anticipated level of equipment in theatre in the context of the transfer from EUFOR to MINURCAT. These additional requirements were offset by reduced expenditures related to the lower actual deployment of military personnel (2,405 personnel) as compared with the projected level (3,110 personnel) (see A/64/556, paras. 27-30).

6. The net overexpenditure for civilian personnel of $7,926,400, or 12.4 per cent, is due mainly to additional requirements related to the increase in the mission subsistence allowance rate (see para. 5 above); higher net salary and common staff costs for international staff effective 1 January 2009; and higher-than-budgeted deployment of international general temporary assistance personnel. The additional requirements were offset by underexpenditure for national staff owing to higher-than-budgeted vacancy rates (an actual vacancy rate of 63.5 per cent compared to the 30 per cent delayed deployment factor applied in the budget calculations) (ibid., paras. 31-34). In this connection, it was indicated to the Advisory Committee that the recruitment of national staff had initially proven challenging (see A/63/746/Add.13, para. 27). Upon enquiry, the Committee was informed that the problems had been addressed in the 2009/10 period through the dispatch of "tiger teams", waivers sought from Headquarters to lower the requirements for the posts and the implementation of training activities. **The Committee recommends that the Mission continue to pursue those efforts.**

7. The net underexpenditure of $29,659,700, or 9.9 per cent, under operational costs was attributable mainly to reduced requirements for facilities and infrastructure ($44,135,000), due primarily to the failure to conclude letter-of-assist arrangements with the contractor for the construction of camps for troops and the non-construction of the aviation workshop and the Abeche airfield (see A/64/556, paras. 38 and 39); and reduced requirements for air transportation ($4,066,600) owing to the fact that airfield facilities usage charges in N'Djamena and Abeche were still being negotiated with Chadian authorities, offset by additional requirements with respect to the rental and operation of helicopters owing to higher than budgeted costs (ibid., paras. 41 and 42). In that connection, the Advisory Committee was informed, upon enquiry, that four MI-17 helicopters had been added to the initial helicopter fleet as part of the force and logistics build-up.

8. The Advisory Committee notes that those amounts were mostly offset by additional requirements related to the expansion of the Mission under other supplies, services and equipment ($8,047,600) owing to the shipment of expendable and non-expendable assets from the strategic deployment stocks and other equipment (ibid., para. 49); ground transportation ($6,696,300), including the acquisition of 89 vehicles and additional requirements for petrol, oil and lubricants related to the higher number of contingent-owned vehicles deployed effective 15 March 2009 (ibid., para. 40); communications ($2,297,400) and information technology ($2,167,800) related to the expansion of the Mission's network (ibid., paras. 43-45); and official travel ($721,600) in view of the higher level of travel undertaken to support the Détachement integré de securité (DIS) and military forces (in-Mission travel), as well as the increase in travel requirements of the political component (regional travel) following the expansion of the Mission (ibid., paras. 36 and 37).

III. Financial position and information on performance for the current period

9. The Advisory Committee was informed that as at 30 April 2010, a total of $1,254,249,000 had been assessed on Member States with respect to MINURCAT since its inception. As at the same date, payments received amounted to $1,205,415,000, leaving an outstanding balance of $48,834,000. As at 17 May 2010, the Mission's cash resources amounted to $274,300,000.

10. Furthermore, for 2009, an amount of $25,278,000 was owed for troop costs; payments of $22,594,000 were made during 2009 and the balance of $2,684,000 was paid on 8 April 2010. The outstanding balance for contingent-owned equipment, which, as at 31 December 2009, amounted to $26,017,000, was paid on 8 April 2010. In respect of death and disability compensation, an amount of $54,000 has been paid for one claim since inception; an amount to $96,000 has been apportioned under this item for possible claims.

11. The Advisory Committee was informed that as at 30 April 2010, the incumbency of MINURCAT for the period from 1 July 2009 to 30 June 2010 was as follows:

Category	*Authorized*[a]	*Planned*	*Encumbered*	*Vacancy rate (percentage)*
Military and police personnel				
Military observers	25	25	22	12.0
Military contingents	5 200	5 183	3 418	34.1
United Nations police	300	300	224	25.3
Civilian personnel				
International staff	594	578	417	27.9
National staff	769	710	574	19.2
General temporary assistance				
International positions	1	1	—	100.0
National positions	1	1	—	100.0
United Nations Volunteers	201	201	154	23.4

[a] Represents the highest authorized strength.

12. The Advisory Committee was provided with the preliminary status of expenditures as at 30 April 2010 for the period from 1 July 2009 to 30 June 2010 (see annex). For the entire financial period, current and projected expenditures amount to $528,179,600 gross ($519,291,200 net) against an apportionment of $690,653,100 gross ($683,354,500 net). This would result in underexpenditure of $162,473,500 gross, or 23.5 per cent, at the end of the financial period. The Committee notes that the projected underexpenditure reflects the suspension of activities related to the uncertainty of the Mission's future and relate primarily to anticipated lower-than-budgeted operational costs ($130,226,600) and military and police personnel costs ($43,803,100), offset by anticipated additional requirements for civilian personnel ($11,556,200).

IV. Financing arrangements for the period from 1 July 2010 to 30 June 2011

13. The Advisory Committee recalls that the Security Council, in its resolution 1861 (2009), extended the mandate of the Mission until 15 March 2010 (see also para. 3 above). Furthermore, in its resolution 63/274 B, the General Assembly appropriated an amount of $690,753,100 for the maintenance of the Mission for the period from 1 July 2009 to 30 June 2010. The resources approved provided for costs related to the military, police, civilian and other personnel indicated in paragraph 11 above, as well as related operational costs (see annex).

14. The Advisory Committee notes that the Security Council, in its resolution 1913 (2010), having considered the note verbale of the Government of Chad, the letter dated 3 March 2010 from the Permanent Representative of Chad to the United Nations addressed to the President of the Council (S/2010/115) and the letter dated 11 March 2010 from the Secretary-General to the President of the Council (S/2010/129) indicating that discussions on the future of the Mission were still ongoing, decided to extend the mandate of MINURCAT until 15 May 2010. Subsequently, in its resolution 1922 (2010), the Security Council decided to further extend the mandate of the Mission until 26 May 2010. The recommendations of the Secretary-General for a revised mandate are currently before the Security Council.

15. However, as indicated in his note on financing arrangements, in view of the ongoing discussions on the future of the Mission and pending preparation of the proposed budget for 2010/11 to be submitted to the General Assembly at the main part of its sixty-fifth session, the Secretary-General is requesting commitment authority with assessment for a six-month period from 1 July to 31 December 2010 in order to provide the human and operational resources needed for the maintenance of the Mission. The resources requested amount to $246,598,800 gross ($242,949,500 net), or 36 per cent of the resources appropriated for 2009/10 (see A/64/783, annex).

16. The Advisory Committee was informed that a conservative approach had been taken in determining the resource requirements for the six-month period, taking into account troop contingent costs, which matched troop levels on the ground, the current operational profile and current vacancy factors (see para. 11 above). The resources do not cover major acquisitions or infrastructure work, which have been put on hold pending a decision on the Secretary-General's proposals for a revised mandate of the Mission.

17. The estimated requirements for military personnel for the six-month period from 1 July to 31 December 2010 of $70,828,800 represent 36.5 per cent of the resources approved for 2009/10. The resources provide for the reimbursement of standard troop and equipment costs, rotation costs, standard daily allowance payable to troops, mission subsistence allowance for staff officers, death and disability compensation and rations for 2,835 military personnel, and requirements for 25 military liaison officers and 300 United Nations police officers.

18. The estimated requirements for civilian personnel for the six-month period amount to $44,055,400, or 50 per cent of the apportionment for 2009/10. The resources reflect the requirements at 2009/10 rates for salaries, staff assessment and common staff costs for the staffing component shown in paragraph 11 above, taking into account the actual vacancy factors.

19. The estimated operational requirements of $131,714,600 for the six-month period represent 32.3 per cent of the apportionment for the period 2009/10. The Advisory Committee notes from the annex to the report of the Secretary-General that the resources proposed for facilities and infrastructure ($45 million), other supplies, services and equipment ($3.4 million), ground transportation ($7.1 million), communications ($4.4 million) and information technology ($2.1 million) reflect the approach indicated in paragraph 16 above. Upon enquiry, the Committee was further informed that the ground and air transportation requirements reflected the lack of infrastructure for surface transportation and the inaccessibility of the area of operation by road during the rainy season, requiring high dependence on aviation assets.

20. The Advisory Committee recalls that information on the construction projects planned to be undertaken during the 2009/10 period was included in its previous report (A/63/746/Add.13, para. 42). Upon enquiry, the Committee was provided with information on the status of those projects, taking into account the circumstances mentioned in paragraphs 14 to 16 above, as follows:

Project	*Status*
Re-carpeting and extension of existing runways and installation of solar-powered runway lighting	Cancelled
Construction of aprons in N'Djamena and Abeche, as well as construction of helipads and access roads and upgrading of existing runways in Iriba, Farchana, Goz Beida and Birao	Cancelled except for apron and taxiway at N'Djamena
Construction of civilian living accommodation in Abeche	Completed
Construction of additional camps for military personnel	Completed (with Koukou, Guereda and Bahai cancelled)
Installation of solar lighting system	Cancelled
Rainwater harvesting system (various locations)	On hold (pending finalization of local contract)

21. The Advisory Committee recalls that water remains a major challenge in the area of operation and that it has commended the Mission for the initiatives undertaken in this regard (ibid., para. 43). Upon enquiry, the Committee was informed that the Mission was negotiating a contractual arrangement to continue services in this regard while simultaneously finalizing a local contract for water drilling and installation at all camps. **The Committee looks forward to an update on the status of the contractual arrangement in the next budget.**

22. **The Advisory Committee expects that the full budget to be submitted by the Secretary-General once the Security Council takes a decision on the mandate of the Mission will provide detailed information on projects to be undertaken or resumed in support of DIS and other infrastructure work envisaged.**

V. Conclusion and recommendations

23. The actions to be taken by the General Assembly in connection with the financing of MINURCAT for the period from 1 July 2008 to 30 June 2009 are indicated in paragraph 51 of the performance report (A/64/556). **The Advisory Committee recommends that the Assembly appropriate the amount of $139,671,300 for the period from 1 July 2008 to 30 June 2009, already authorized and assessed under the terms of resolution 63/274 A, in addition to the amount of $301,124,200 already appropriated under the terms of resolution 62/233 B. The Committee recommends that the unencumbered balance of $16,722,500 with respect to the period from 1 July 2008 to 30 June 2009, as well as other income and adjustments in the amount of $14,548,400 for the period ended 30 June 2009, be credited to Member States in a manner to be determined by the Assembly.**

24. The actions to be taken by the General Assembly with regard to the financing of MINURCAT for the period from 1 July to 31 December 2010 are set out in paragraph 13 of the Secretary-General's note (A/64/783). **Pending a decision by the Security Council on the mandate of the Mission, the Advisory Committee recommends that the Assembly approve an amount of $184,949,000 gross ($182,212,000 net) for the maintenance of the Mission for the period from 1 July to 15 November 2010. The Secretary-General should be requested to submit to the Assembly, as early as possible at the main part of its sixty-fifth session, the full budget proposal for the Mission, in order to allow the Assembly to take a decision on the resources required.**

Documentation

- Performance report on the budget of the United Nations Mission in the Central African Republic and Chad for the period from 1 July 2008 to 30 June 2009 (A/64/556)
- Note by the Secretary-General on financing arrangements for the United Nations Mission in the Central African Republic and Chad for the period from 1 July to 31 December 2010 (A/64/783)
- Report of the Secretary-General on the United Nations Mission in the Central African Republic and Chad (S/2010/217)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the proposed budget of the United Nations Mission in the Central African Republic and Chad for the period from 1 July 2008 to 30 June 2009 (A/62/781/Add.15)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financing arrangements for the United Nations Mission in the Central African Republic and Chad for the period from 1 July 2008 to 30 June 2009 (A/63/768)

- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2007 to 30 June 2008 and proposed budget for the period from 1 July 2009 to 30 June 2010 of the United Nations Mission in the Central African Republic and Chad (A/63/746/Add.13)
- Security Council resolutions 1861 (2009), 1913 (2010) and 1922 (2010)
- General Assembly resolutions 62/233 and 63/274 A and B

Annex

Current and projected expenditures for the period from 1 July 2009 to 30 June 2010

(Thousands of United States dollars)

	1 July 2009 to 30 April 2010			*Projected 1 May to 30 June 2010*				
	Apportionment	*Total expenditure*	*Unencumbered balance*	*Expenditure*	*Total expenditure including projected*	*Estimated unencumbered balance as at 30 June 2010*	*Variance (percentage)*	
	(1)	*(2)*	*(3)=(1)-(2)*	*(4)*	*(5)=(2)+(4)*	*(6)=(1)-(5)*	*(7)=(6)÷(1)*	*Reasons for variance*
Military and police personnel								
Military observers	1 732 600	1 633 300	99 300	295 400	1 928 700	(196 100)	(11.3)	Additional expenditures are attributable to higher projected requirements for mission subsistence allowance due to longer overlapping hand-over period between officers
Military contingents	173 109 200	114 868 700	58 240 500	15 283 700	130 152 400	42 956 800	24.8	Lower requirements result from a slower than anticipated deployment of military contingent personnel
United Nations police	19 395 700	15 059 500	4 336 200	3 293 800	18 353 300	1 042 400	5.4	Lower requirements result from a slower than anticipated deployment of United Nations police personnel
Subtotal	**194 237 500**	**131 561 500**	**62 676 000**	**18 872 900**	**150 434 400**	**43 803 100**	**22.6**	
Civilian personnel								
International staff	76 777 200	70 070 100	6 707 100	15 687 200	85 757 300	(8 980 100)	(11.7)	Additional expenditures are attributable to higher actual requirements for common staff costs
National staff	5 760 500	5 349 900	410 600	1 561 500	6 911 400	(1 150 900)	(20.0)	Additional expenditures are due mainly to the fluctuation of the exchange rate
United Nations Volunteers	5 441 200	5 828 800	(387 600)	1 062 500	6 891 300	(1 450 100)	(26.7)	Additional expenditures are due to higher projected allowances for United Nations Volunteers

	1 July 2009 to 30 April 2010			Projected 1 May to 30 June 2010				
	Apportionment	*Total expenditure*	*Unencumbered balance*	*Expenditure*	*Total expenditure including projected*	*Estimated unencumbered balance as at 30 June 2010*	*Variance (percentage)*	
	(1)	*(2)*	*(3)=(1)-(2)*	*(4)*	*(5)=(2)+(4)*	*(6)=(1)-(5)*	*(7)=(6)÷(1)*	*Reasons for variance*
General temporary assistance	131 800	106 900	24 900	—	106 900	24 900	18.9	Lower requirements result from a slower than anticipated recruitment of personnel
Subtotal	**88 110 700**	**81 355 700**	**6 755 000**	**18 311 200**	**99 666 900**	**(11 556 200)**	**(13.1)**	
Operational costs								
Government-provided personnel	1 427 600	1 427 400	200	330 000	1 757 400	(329 800)	(23.1)	Variance is due to higher delayed recruitment factor of 20 per cent against 4 per cent actual
Consultants	185 600	96 400	89 200	—	96 400	89 200	48.1	Lower requirements are due to freezing of activities because of uncertainty about the Mission's future
Official travel	2 149 000	2 055 700	93 300	541 100	2 596 800	(447 800)	(20.8)	Variance is due to unbudgeted but necessary within-Mission trips (engineering, transport section, United Nations police, Communications and Information Technology Section and aviation) for the establishment of Mission camps in the eastern provinces
Facilities and infrastructure	201 634 500	113 701 200	87 933 300	2 765 500	116 466 700	85 167 800	42.2	Lower requirements are due to freezing of activities because of uncertainty about the Mission's future; major construction projects stopped or put on hold
Ground transportation	23 330 200	13 558 800	9 771 400	5 602 400	19 161 200	4 169 000	17.9	Lower requirements are due to freezing of activities because of uncertainty about the Mission's future
Air transportation	131 025 200	80 510 600	50 514 600	31 649 500	112 160 100	18 865 100	14.4	Lower requirements arise mainly from petrol, oil and lubricants and air services budgeted for up to 5,200 troops now frozen at 3,300 troops because of uncertainty about the Mission's future

	1 July 2009 to 30 April 2010			Projected 1 May to 30 June 2010				
	Apportionment	*Total expenditure*	*Unencumbered balance*	*Expenditure*	*Total expenditure including projected*	*Estimated unencumbered balance as at 30 June 2010*	*Variance (percentage)*	
	(1)	*(2)*	*(3)=(1)-(2)*	*(4)*	*(5)=(2)+(4)*	*(6)=(1)-(5)*	*(7)=(6)÷(1)*	*Reasons for variance*
Communications	11 633 500	7 113 600	4 519 900	200 000	7 313 600	4 319 900	37.1	Lower requirements arise mainly from contingent-owned equipment due to the freezing of deployment of troops because of uncertainty about the Mission's future
Information technology	6 287 800	4 994 900	1 292 900	—	4 994 900	1 292 900	20.6	Lower requirements are due to freezing of activities because of uncertainty about the Mission's future
Medical	3 993 800	1 393 000	2 600 800	500 000	1 893 000	2 100 800	52.6	Lower requirements are due to freezing of activities because of uncertainty about the Mission's future
Special equipment	1 605 600	802 800	802 800	215 000	1 017 800	587 800	36.6	Lower requirements are due to freezing of activities because of uncertainty about the Mission's future
Other supplies, services and equipment	24 032 100	9 278 900	14 753 200	969 700	10 248 600	13 783 500	57.4	Lower requirements are due to freezing of activities because of uncertainty about the Mission's future
Quick-impact projects	1 000 000	237 100	762 900	134 700	371 800	628 200	62.8	Lower requirements are due to freezing of activities because of uncertainty about the Mission's future. Funding now oriented to socio-economic projects only
Subtotal	**408 304 900**	**235 170 400**	**173 134 500**	**42 907 900**	**278 078 300**	**130 226 600**	**31.9**	
Gross requirements	**690 653 100**	**448 087 600**	**242 565 500**	**80 092 000**	**528 179 600**	**162 473 500**	**23.5**	
Staff assessment income	7 298 600	7 262 500	36 100	1 625 900	8 888 400	(1 589 800)	(21.8)	
Net requirements	**683 354 500**	**440 825 100**	**242 529 400**	**78 466 100**	**519 291 200**	**164 063 300**	**24.0**	
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—	—	
Total requirements	**690 653 100**	**448 087 600**	**242 565 500**	**80 092 000**	**528 179 600**	**162 473 500**	**24**	